

Congressman Tom Allen's Small Business Plan



Rep. Allen announces the bipartisan Small Business Fuel Cost Relief Act in Portland with fisherman Vincent Balzano and Shipyard Brewing Co. President Fred Forsley

The Small Business Health Plans Act

The Small Business Fuel Cost Relief Act

The Small Business Investment and Promotion Act

***A comprehensive 7-part strategy to improve the
small business climate in Maine and America***

Small Business Health Plans Act

1. Health Care Cost Relief for Small Businesses

- Problem: Health insurance costs have increased by 59 percent since 2000 and now constitute an alarming obstacle to American businesses trying to compete with companies in nations with more cost-effective health care systems. The high cost of health insurance is a particularly difficult challenge for small business owners and the self-employed in Maine.
- Solution: The bill creates state and national multi-insurer pools to provide comprehensive and affordable health insurance choices to small employers, like those now available to federal employees. It offers federal assistance to pay health insurance expenses for participating businesses and establishes a reinsurance fund to help cover catastrophic claims.



Small Business Fuel Cost Relief Act

2. Fuel Cost Relief for Small Businesses

- Problem: Soaring fuel costs for heating and transportation have hit small businesses hard and threatened their profitability.
- Solution: The bill provides a tax credit to businesses with up to 50 employees for the cost of fuel (heating oil, gasoline, natural gas, and diesel) above the price paid on Labor Day 2004. It raises the IRS mileage deduction to 60 cents per mile to help defray transportation expenses.



Small Business Investment and Promotion Act

3. Reward Reinvestment by Accelerating Depreciation

- **Problem:** Existing tax depreciation rules hinder the ability of small businesses to reinvest and modernize business assets to keep up with competition and attract new clients.
- **Solution:** The bill shortens the tax depreciation period on renovations and improvements from 39 years to 15 years, providing valuable tax relief to businesses like restaurants and small retailers.

4. Ensure a Stable Labor Supply

- **Problem:** A lack of visas for willing temporary skilled and unskilled workers results in a labor shortage for many small businesses. Current law forces businesses to scramble at the start of each fiscal year for the artificially low number of H-1B and H-2B visas. In some years, no temporary work visas are available for the Maine summer tourist season.
- **Solution:** The bill raises the caps on both types of visas from 66,000 to 85,000 per year in FY07. After that, the numerical caps would be adjusted on a market-based scale according to demand.

5. Reliable Tax Credit for Innovation

- **Problem:** Business investment planning is hindered by the uncertainty of the Research and Development Tax Credit, which Congress renews every year, and which sometimes lapses. The credit allows businesses to recover a portion of the money spent on research into new and innovative products and technologies.



- **Solution:** The bill makes permanent the Research and Development Tax Credit to allow businesses to make innovation a long term and stable part of their business plan.

6. Expand Federal Contracting Opportunities for Small Businesses

- **Problem:** Small businesses are not getting their fair share of federal government contracts. In 2004, for the fifth year in a row, the government missed its 23 percent goal, which cost small businesses \$1.6 billion in contracts.
- **Solution:** The bill changes the statutory formula to increase contracting opportunities for small businesses.



Rep. Allen congratulates Marianne Sensale-Guerin, president and owner of Gorham-based Guerin Associates, on being named 2005 National Small Business Person of the Year

7. Restore Adequate Funding for SBA Loans and Entrepreneurial Assistance Programs

- **Problem:** Federal budget cuts have reduced or eliminated funding for small business assistance programs: SBDC, SCORE, Women's Business Centers, the 7(a) Loan Program, the Manufacturing Extension Partnership, and the Advanced Technologies Program.
- **Solution:** The bill increases funding levels for these programs in 2007 and 2008 to ensure that all eligible small businesses can get the help they need.

Small business owners in Maine can get help from a variety of federal assistance programs.

Please call my office or visit my website for more information.

57 Exchange Street,
Suite 302
Portland, Maine 04101
(207) 774-5019 (voice)
(207) 871-0720 (fax)

209 Main Street,
Suite 103
Saco, Maine 04072
(207) 283-8054 (voice)
(207) 283-1725 (fax)

1127 Longworth
House Office Building
Washington, DC 20515
(202) 225-6116 (voice)
(202) 225-5590 (fax)

www.tomallen.house.gov